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A Question of Ethics? Climate Alignment in Equity Portfolios

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"Science, including the science of economics, can help discover the causes and effects of climate change. It can also help work out what we can do about climate change. But what we should do is an ethical question."

J. Broome, philosopher and contributor to the Intergovernmental Panel on Climate Change (2008)

Investment industry participants have worked to establish a foundation for environmentally-focused investing that is grounded in science rather than relying on values; modern sustainable investing is a far cry from the early ethical investment strategies of the mid-twentieth century. Yet when it comes to carbon emissions and 'climate investing' we find that, underneath even the most apparently scientific data-driven processes, certain key decisions are **unavoidably ethical** in nature.

Various essential steps, such as the selection of targets and metrics, cannot be standardized based on scientific principles and instead require ethical choices. Indeed, the heterogeneity of climate metrics and methodologies—a challenge that continues to provoke calls for standardization—can often be traced, at least in part, to unspoken ethical divergence. This creates something of a practical challenge for many investors and practitioners that have not explicitly defined the ethical basis of their stance.

This article, which draws on analysis presented in Bouchet (2025)¹, introduces three different ethical archetypes: *principled*, *utilitarian* and *harmonist*. Investors can consider which of the three might represent the most appropriate 'fit' with their own position. It then presents decisions that could follow from each viewpoint during the development of a climate alignment model and, finally, considers the extent to which those choices affect data outcomes for an equity portfolio comprising the 1,300 largest developed market stocks.

Hidden Ethics in 'Scientific' Methodologies

Investors considering how to align equity portfolio 'emissions' with climate-related targets are immediately faced with a daunting reality: the significant inconsistencies between different methodologies.

ILB (2020)², for example, found that implied temperature rise metrics for the same index varied between 1.5°C and 3°C depending on which approach was used, while correlations at the company level were weak or even negative. Points of differentiation included the scope of emissions considered, the carbon budget allocation, the reference scenarios and time horizons (Haalebos and Fouret, 2022; de Franco et al., 2023; Bouchet, 2024³).

It would appear, at first glance, that standardization of methodologies would be highly desirable. Indeed, many bodies have asserted that a consistent approach should be pursued (FOEN, 2022; GFANZ, 2022a; OECD, 2022⁴). After all, a uniform approach would simplify comparisons across methodologies, enhance transparency for both institutional and retail investors, and facilitate regulatory assessments. Moreover, there is a widespread presumption that a 'science-based' approach *should* be able to produce a definitive and universally agreed way forward for all measurement methodologies.

1 - Bouchet V. 2025. Measuring the alignment of portfolio emissions: a Kantitative approach, Scientific Portfolio Publications.

2 - ILB (2020). The Alignment Cookbook - A Technical Review of Methodologies Assessing a Portfolio's Alignment with Low-carbon Trajectories or Temperature Goal, Institut Louis Bachelier et al.

3 - Haalebos, R., & Fouret, F. (2022) Exploring ITR scores: Framing robust company-specific benchmarks and future company-level GHG emissions ranges, FTSE Russell. de Franco, C., Nicolle, J., & Tran, L. A. (2023) Climate Portfolio Alignment and Temperature Scores, *The Journal of Impact and ESG Investing*, 4(2), 66-77. Bouchet, V. (2024) Implied temperature rise of equity portfolios: a sensitivity analysis framework, Institut Louis Bachelier, Scientific Portfolio.

4 - FOEN (2022) Portfolio Climate Alignment - Understanding unwanted disincentives when using climate alignment methodologies, Federal Office for the Environment. GFANZ (2022a) Driving Enhancement, Convergence and Adoption – Measuring Portfolio Alignment, Financial Alliance for Net Zero. OECD (2022) Assessing the climate consistency of finance: Taking stock of methodologies and their links to climate mitigation policy objectives, Noels, J., & Jachnik, R, OECD Environment Working Papers No. 200.

However, the field continually resists efforts to achieve consensus. The reason: decisions cannot be determined by scientific criteria alone and, as such, frequently rely on ethical choices (with which others may well disagree). Yet these crucial ethical foundations tend to be unspoken and, as a result, are insufficiently scrutinized. In this article, we assert that investors and industry practitioners should clearly define the ethical basis of their approach.

First, we examine **five key methodological steps** involved in constructing a climate alignment metric: choosing a reference scenario, defining allocation among companies, projecting company activity, measuring company alignment, and aggregating alignment at the portfolio level. In our analysis, the most significant *ethical* decision is the allocation of the carbon budget among companies within a sector. Throughout, we prioritize feasibility in order to support a pragmatic approach for an investor seeking to address this subject today.

Focus on emissions

An investor's impact on global warming primarily stems from the activities they finance, which may be negative (contributing to climate change) or positive (supporting mitigation).

In this article, we focus on the greenhouse gas (GHG) emissions of listed companies. Yet one can also consider other approaches using economic indicators (revenues and investments relating to sustainable activities) or governance and transition plans.

Second, we **review ethical frameworks** that may inform the dilemmas associated with climate change mitigation. These include the categorical imperative (Immanuel Kant), utilitarianism (John Stuart Mill), egalitarianism (John Rawls) and the principle of responsibility (Hans Jonas). We also consider some political principles and agreements that have been developed in the context of climate change mitigation. Three ethical investor archetypes are derived: the *principled investor grounded* in moral philosophy; the utilitarian investor maximizing monetary utility under climate constraints; and the *harmonist investor* advocating for an extended scope of responsibility.

Finally, we **model three alignment methodologies** that reflect these three ethical archetypes using a diversified equity portfolio of the 1,300 largest publicly traded companies in developed markets and assess the greenhouse gas overshoot (the projected excess emissions relative to a reference scenario). In this analysis, we find that the three different approaches produce quite similar results at the *portfolio level*, but a significantly different level of alignment within the most climate-relevant sectors. In particular, methodologies using production intensity rather than absolute emissions tend to reduce overshoot for companies in these sectors.

Based on this analysis, we would argue that standardized uniform metrics for climate alignment are not appropriate. The significance of ethical choices in their construction means that the industry should continue to offer a variety of approaches. Meanwhile, investors should make deliberate choices that are consistent with their own—clearly defined and transparent—ethical stance.

1. Identifying Ethical Choices in Alignment Metrics

Developing portfolio alignment metrics involves a series of significant decisions. Some can be categorized as primarily or wholly scientific; others are more ethical in nature.

Despite some methodological variations, portfolio alignment metrics generally follow a common structure. Drawing from ILB (2020) and PAT (2021)⁵, we identify five key steps: (1) selecting a climate mitigation scenario as a reference, (2) allocating a carbon budget to companies, (3) projecting company emissions trajectories, (4) measuring alignment at the company level, and (5) aggregating company-level alignment into a portfolio-level metric. These steps are shown in Exhibit 1.

Exhibit 1: Portfolio Alignment Metric Methodological Steps and Design Choices

Step	Design choice	Options	Type of choice
Step 1: choosing a reference scenario	Consistency	No specific criteria/Science-based Targets Initiative (SBTi) criteria	Scientific
	Level of ambition	1.5°C/2°C/>2°C	Ethical
	Scenario update	Yes/No	Depends on the goal of analysis
	Region allocation	Yes/No	Ethical
	Sector allocation	Yes/No	Scientific and ethical
Step 2: allocating carbon budget among companies	Scope of emissions	Scope 1/Scope 1+2/Scope 1+2+3/ Sector-specific scope	Ethical
	Emission metric	Absolute emissions/Emissions intensity (physical or financial)	Ethical
	Pace of reduction	Equal rate of reduction/Equal final performance (convergence)/Proportional to activity (fair share)	Ethical
Step 3: projecting company activity	Projection method	Constant/Historical trend/Based on company targets	Scientific
Step 4: measuring company alignment	Type of benchmark	Single scenario/Warming function	Scientific
	Alignment metric	Overshoot/Implied temperature rise	Depends on the goal of analysis
	Horizon	2023-2100	Depends on the goal of analysis
Step 5: aggregating company alignment at portfolio level	Aggregation method	Weighted average/Budget aggregation	Scientific

Note: The options available for each design choice are based on GFANZ (2022b) and Bouchet (2024).

For example, the ‘**level of ambition**’ of a target is tied to ethical questions of *intergenerational fairness*: investors seeking to choose between a 1.5°C or 2°C scenario must consider arguments from the likes of Carney (2016) that overly ambitious objectives could impose disproportionate costs on present generations, especially now that the likelihood of achieving 1.5°C has declined (UNEP, 2024), while a lack of action would impose unfair costs on future generations. The gap between the two scenarios is a large one from a practical standpoint: Lamboll et al. (2023) estimate a remaining budget of 250 GtCO₂ for a 1.5°C scenario (50% probability) versus 1,200 GtCO₂ for 2°C, meaning that a 1.5°C-aligned budget for companies would be roughly five times smaller than that offered by a 2°C scenario. Investors might also wish to consider using a 1.5°C scenario for assessing past responsibility (since that target was historically more achievable) but use a 2°C to evaluate future alignment (such as an updated transition plan).

‘**Regional allocation**,’ meanwhile, raises questions of *interregional justice*. This has been a politically high-profile subject for many years. Should wealthier nations, which have contributed disproportionately to greenhouse gas emissions since the Industrial Revolution, bear a greater responsibility for mitigation than developing countries with higher rates of poverty? While Nationally Determined Contributions (NDCs) do exist, reflecting current regional commitments and offering a political framework for distributing the remaining carbon budget among countries, these commitments do not necessarily

5 - PAT (2021) Measuring Portfolio Alignment, Technical Considerations. Portfolio Alignment Team

align with relevant temperature rise pathways. As such, the investment industry is required to come up with its own answers. To complicate matters, the existence of multinational corporations (who work in multiple regions but report aggregated data) makes it difficult to map emissions onto specific countries.

One of the most ethically dependent steps is the subject of **how to allocate carbon budgets**. For instance, when thinking about the scope of emissions, we can ask whether a company has a moral responsibility for activities outside of their direct control (such as indirect 'Scope 3' emissions). The answer to this question may even differ depending on the sector in question. After all, Financial Services company emissions predominantly fall into the Scope 3 category, while a company in the Industrials sector may have a profile dominated by Scope 1 emissions. We might also ask whether to focus on absolute emissions, emissions intensity relative to monetary value, or emissions intensity relative to units of production. Here, too, there is an ethical angle: a utilitarian perspective might suggest simply maximizing economic value added per ton of CO₂ emitted (Randers, 2012), while an egalitarian perspective could suggest allowing more emissions to companies producing 'essential' goods. In addition, we can consider the pace of reduction: should all firms target the same percentage reduction or not? Is it appropriate for firms to aim for the same end-point ('convergence,' as per Krabbe et al., 2015)?

In short, the ethical questions raised in this process are primarily issues of **distributional justice**, such as *intergenerational justice*, *interregional justice* and *interpersonal justice*. Repeatedly, one finds oneself asking: what are the responsibilities of current generations (as citizens, as investors, or both) to mitigate harm for future generations? Should rights to emit greenhouse gases be distributed evenly, without accounting for existing inequalities, the varying capabilities of individuals or companies to reduce emissions, or the 'value' of the emissions-generating activities? Distributional justice carries through into an investment portfolio management context in terms of the degree of emissions that an investor is willing to accept from each company or sector.

2. Which Ethics?

How, then, can these ethical questions be answered in a consistent and coherent manner? Investors might turn to legislation, regulation, political commitments and non-binding agreements from a variety of national and supranational entities. After all, politics is the mechanism through which modern societies chiefly determine how ethical burdens are to be weighed and acted upon. Yet, while various agreements, laws and principles have provided guidance on specific aspects of climate mitigation⁶, they do not succeed in providing a genuinely prescriptive approach that investors can (or should!) follow without needing to make choices of their own.

As such, we must look for an intrinsic foundation for ethical decisions. Here, it may be helpful to review a few schools of thought.

Pragmatism: A philosophical perspective that emphasizes the practical consequences of ideas, focusing on their applicability to real-world problems. Key intellectual figures in this strand include Charles Sanders Peirce and John Dewey. Dewey advocated experimentation and adaptability, emphasizing that ethical questions—and efforts to improve—should originate from lived experiences. Pragmatism has been mobilized to address global societal challenges, offering alternative frameworks for organizations to collaborate on complex and uncertain issues such as climate change (Ferraro et al., 2015). In our view, pragmatism should be an overarching criterion for investors when addressing the subject of

6 - Caney, S. (2016) Climate change and non-ideal theory, *Climate justice in a non-ideal world*, 21-42.

climate mitigation, since real-world applicability is key to any successful implementation. Suboptimal but actionable methodologies may be preferable to ideals, especially given the urgency of climate change mitigation over the near term.

Kantian ethics: An ethical theory that emphasizes universal moral duties, founded on the work of Immanuel Kant and other Enlightenment philosophers. The approach is centered on the concept of the categorical imperative: the principle that individuals should act only according to maxims that could consistently be applied by all others as a universal law. Kantian ethics focuses primarily on the intentions and principles behind actions rather than their consequences: what makes an action ‘good’ is the intention rather than the outcome.

Utilitarianism: A school of thought arguing that actions are morally right if they maximize overall well-being, i.e. if they achieve the greatest good for the greatest number. Key thinkers include Jeremy Bentham and John Stuart Mill. By prioritizing the future and outcomes, utilitarianism would advocate for policies and technologies that not only facilitate immediate reductions in emissions but also deliver substantial long-term benefits relative to their costs.

Egalitarianism: A political and moral philosophy grounded in the principle that all individuals are fundamentally equal in worth. Its origins can be traced back to Enlightenment thinkers such as Jean-Jacques Rousseau. More recently, egalitarianism has been developed by John Rawls, whose *A Theory of Justice* (1971) introduced the concept of justice as fairness, advocating for the distribution of resources to benefit the least advantaged. Rawls’ framework, grounded in the “original position” and the hypothetical “veil of ignorance” (designing a society without at first knowing the role that one will play in it), seeks to ensure that social arrangements are structured to uphold equality of opportunity and mitigate arbitrary inequalities.

Imperative of responsibility: Articulated by Hans Jonas (1979), this strand of thought is a response to the unprecedented power of modern technology. Jonas critiques traditional ethics as being inadequately prepared to address the long-term and global consequences of technological advancements, particularly their potential to harm future generations and the natural world. Drawing on the existential philosophy of Heidegger, Jonas proposes an imperative of responsibility, calling on us to act in a way that preserves the conditions for life on Earth. This forward-looking ethical framework emphasizes caution and accountability, asserting that the vulnerability of nature and the interests of unborn generations demand a radical extension of our moral horizon.

Based on these ethical frameworks and the prior discussion of ethical considerations involved when determining alignment metrics, we introduce three ethical investor archetypes, each of them corresponding to a certain configuration of the alignment model.

Ethical investor archetypes

	‘Principled’	‘Utilitarian’	‘Harmonist’
Basis	Traditional moral philosophy, particularly Kant’s categorical imperative.	Maximization of monetary utility; ‘greatest good for the greatest number.’	Egalitarian principles and concept of ‘responsibility’
Example of application	Simple and universal principles that, if adopted by all, would achieve climate mitigation objectives.	Companies generating higher revenue may receive larger carbon budget (greater economic contribution).	All firms should contribute to mitigation. Focus on emissions intensity per unit of production in critical sectors.

Below, Exhibit 2 shows an adjusted version of the alignment model presented in Exhibit 1. In this version, the three ethical investor archetypes translate into different decisions at certain points. These are not the only steps with ethical dimensions, of course: for example, the ‘level of ambition’ remains the same for all three variants below. In addition, the specific decisions indicated—while aligned with the ethical archetype (as discussed below)—do not represent the only decisions that could be consistent with that stance. Nonetheless, this illustrative exercise and the modelling that follows help to show the significance of the relevant choices.

Exhibit 2: Alignment Model Configuration for Three Ethical Investor Archetypes

Alignment model configuration		Ethical investor archetype		
Methodological step	Design choice	Principled investor	Utilitarian investor	Harmonist investor
Step 1: choosing a reference scenario	Consistency	Science-based Targets Initiative criteria		
	Level of ambition	1.5°C (IEA Net Zero Emissions scenario)		
	Scenario update	Yes (2023)		
	Region allocation	No		
	Sector allocation	No	Yes	Yes
Step 2: allocating carbon budget among companies	Scope of emissions	Scope 1	Scope 1+2	Sector-specific
	Emission metric	Absolute emissions	Emissions intensity (financial unit)	Emissions intensity (physical unit)
	Pace of reduction	Equal rate of reduction	Proportional to activity (fair share)	Equal final performance (convergence)
Step 3: projecting company activity	Projection method	Based on company targets if consistent with historical trend		
Step 4: measuring company alignment	Type of benchmark	Single scenario		
	Alignment metric	Overshoot		
	Horizon	2050		
Step 5: aggregating company alignment at portfolio level	Aggregation method	Budget aggregation		

Here, the *principled investor* approach is grounded in traditional moral philosophy, particularly Immanuel Kant’s categorical imperative. It emphasizes simple and universal principles that, if adopted by all companies, would ensure the achievement of climate mitigation objectives. Consequently, such an investor does not differentiate between sectors and prioritizes **Scope 1** emissions, as these fall directly under a company’s control. **Absolute emissions** (rather than intensity) are in focus and the **reduction target is uniform** across all companies.

The *utilitarian investor*, meanwhile, seeks to maximize monetary utility and, therefore, prioritizes emissions intensity relative to revenue rather than absolute emissions. This philosophical perspective would also strongly suggest retaining Scope 1 and **Scope 2** emissions (consistent with the prevailing conventions in institutional climate frameworks) in the analysis and holistically managing the aggregate Scope 1 + 2 emissions. The allocation of the carbon budget is based on the **monetary value** added by each company: companies generating higher revenue today receive a larger carbon budget, as their economic contribution is deemed to enhance overall utility. This also implies that the **pace of emissions reductions** is determined in relation to current revenue.

Finally, the *harmonist investor* approach is rooted in egalitarian principles. This perspective advocates an extended scope of responsibility, incorporating Scope 3 emissions when relevant. The harmonist investor focuses on emissions intensity per unit of production in critical sectors. In distributing the decarbonization effort across companies, the approach acknowledges differences in initial emissions levels while emphasizing the necessity for all firms to contribute to mitigation. Consequently, this approach adopts the principle of reduction and convergence, ensuring both absolute reductions and a gradual alignment of emissions intensities across companies.

3. Analyzing a Diversified Equity Portfolio

In order to illustrate the potential effects of the alignment model choices outlined in Exhibit 2, we examined a portfolio of the 1,300 largest publicly traded developed market companies by market capitalization worldwide, approximately aligning with the MSCI World Index constituents.⁷

At **portfolio** level, all three alignment models result in similar ‘overshoot’ (approximately 110%, see Exhibit 3): emissions trajectories would result in a cumulative carbon budget between 2022 and 2050 that is approximately twice as large as would be required for alignment with the NZE pathway. In addition, regardless of the methodology, the degree of concentration is comparable (in that the top 25% of companies with the highest ‘overshoot’ exceed by 182% in all three cases). However, when examining **sectors** with particularly high climate relevance, substantial discrepancies emerge between the three approaches.

Exhibit 3: Impact of Ethical Choices on Portfolio Overshoot

Sector	Weight	Stocks	Principled Investor			Utilitarian Investor			Harmonist Investor		
			Trajectory	Benchmark	Overshoot	Trajectory	Benchmark	Overshoot	Trajectory	Benchmark	Overshoot
Oil and Gas	2.82%	36	386,962	167,753	131%	414,012	213,194	94%	2,686,003	2,024,614	33%
Automobile	2.09%	17	2,859	1,405	103%	7,196	3,220	124%	306,001	208,092	47%
Electricity	1.73%	40	467,086	261,166	79%	474,994	204,982	132%	622,791	463,088	34%
Aluminum	0.03%	2	10,796	4,215	156%	20,350	10,606	92%	22,392	10,737	109%
Airlines	0.04%	7	16,920	6,468	162%	16,974	12,897	32%	18,166	20,171	-10%
Steel	0.13%	6	59,808	31,016	93%	73,911	50,462	46%	97,002	50,686	91%
Shipping	0.06%	5	14,483	8,332	74%	14,547	11,397	28%	24,683	15,721	57%
Other	88.13%	1170	668,444	288,116	132%	927,185	401,246	131%	19,814,757	8,318,512	138%
Portfolio	95.04%	1283	1,627,358	768,472	112%	1,949,169	908,003	115%	23,591,795	11,111,623	112%

Notes: This table represents, for each ethical approach and by sector, the aggregate emission trajectory (projection), the aggregate emission benchmark (aligned with the reference scenario), and the resulting overshoot.

For instance, under the *principled investor* approach outlined above, which focuses on Scope 1 emissions and allocates carbon budget based on an equal reduction rate across companies, the Airlines sector exhibits an overshoot of 162%. In contrast, the *harmonist investor* approach, which prioritizes emissions intensity per unit of production (emissions per passenger-kilometer for Airlines), results in a negative overshoot of -10% for the same sector. As such, a harmonist investor would theoretically be able to maintain a larger allocation to airlines than a principled investor when seeking to achieve their alignment pathway.

This pattern arises primarily because an intensity-based framework focused on emissions per *unit of production*, does not account for potential growth in production that could drive absolute emissions

7 - Lamboll, R. D., Nicholls, Z. R., Smith, C. J., Kikstra, J. S., Byers, E., & Rogelj, J. (2023). Assessing the size and uncertainty of remaining carbon budgets. *Nature Climate Change*, 13(12), 1360-1367.

upwards. Many companies within climate-sensitive sectors exhibit physical emissions intensities close to the trajectory required for net-zero alignment (making them aligned under the harmonist investor framework) but their absolute emissions have increased alongside production growth (making them non-aligned from the principled investor perspective). Company activity projections should ideally include production forecasts, but such data is not currently available.

Exhibit 4: Impact of Ethical Choices on Distribution of Company Overshoot

a) Principled investor approach

Sector	Count	Min.	Max.	5%	25%	50%	75%	95%
Airlines	7	116%	182%	129%	165%	175%	182%	182%
Aluminum	2	132%	170%	134%	142%	151%	161%	168%
Automobile	17	-11%	182%	3%	45%	79%	145%	182%
Electricity	40	-60%	182%	9%	45%	86%	160%	182%
Oil and Gas	36	17%	182%	27%	78%	130%	182%	182%
Shipping	5	38%	182%	43%	64%	84%	119%	170%
Steel	6	59%	182%	62%	82%	122%	170%	182%
Other	1161	-79%	182%	1%	85%	178%	182%	182%
All sectors	1274	-79%	182%	1%	82%	174%	182%	182%

b) Utilitarian investor approach

Sector	Count	Min.	Max.	5%	25%	50%	75%	95%
Airlines	7	8%	42%	15%	34%	39%	42%	42%
Aluminum	2	62%	102%	64%	72%	82%	92%	100%
Automobile	17	1%	205%	5%	73%	116%	165%	205%
Electricity	40	-47%	265%	42%	93%	143%	237%	265%
Oil and Gas	36	-1%	138%	7%	57%	101%	135%	138%
Shipping	5	1%	107%	5%	20%	35%	61%	98%
Steel	6	16%	106%	21%	43%	63%	82%	101%
Other	1169	-78%	182%	14%	80%	145%	182%	182%
All sectors	1282	-78%	265%	13%	77%	139%	182%	182%

c) Harmonist investor approach

Sector	Count	Min.	Max.	5%	25%	50%	75%	95%
Airlines	7	-30%	55%	-29%	-24%	-15%	14%	51%
Aluminum	2	27%	135%	32%	54%	81%	108%	130%
Automobile	9	-31%	155%	-21%	5%	46%	64%	154%
Electricity	40	-86%	184%	-61%	-12%	34%	69%	128%
Oil and Gas	32	-29%	55%	-6%	22%	31%	42%	52%
Shipping	4	34%	93%	37%	48%	57%	69%	88%
Steel	6	-11%	130%	-4%	21%	69%	116%	128%
Other	1170	-77%	182%	13%	97%	177%	182%	182%
All sectors	1270	-86%	184%	5%	77%	172%	182%	182%

Notes: These tables represent the distribution of company overshoot by sector.

These intensity-based results for companies belonging to climate-relevant sectors should be interpreted with caution due to the limited number of companies within each sector in the sample. Additionally, potential biases may arise from the fact that the sample includes the largest firms within each sector.

Conclusion

Ethical choices are embedded in portfolio emissions alignment metrics. While scientific considerations can guide certain methodological choices, such as scenario selection and emissions projections, much of the necessary parameterization sits on moral—not scientific—foundations. Moreover, as we have shown, different ethical schools of thought result in very different alignment results at sector and company level for real-world equity portfolios.

These findings underscore the need for transparency. Rather than striving for a single, standardized, apparently scientific approach in this space, the investment management industry should be clarifying and communicating the ethical foundations of their decisions and models – empowering investors with the tools and the information to make choices that reflect their own defined values while ensuring methodological rigor.

About Scientific Portfolio

Scientific Portfolio is the latest commercial venture incubated within the research ecosystem of EDHEC Business School (EDHEC), one of the world's leading business schools.

Scientific Portfolio has assembled a team with a broad range of expertise and backgrounds, including financial engineering, computer science, sustainable and climate finance, and institutional portfolio and risk management. It proudly carries EDHEC's impactful academic heritage and aspires to provide investors with the technology they need to independently analyse and construct equity portfolios from both a financial and extra-financial perspective.

To achieve this, it offers investors three sources of value through its portfolio analysis & construction platform:

- Helping investors to analyse their equity portfolios, identify actionable insights and enhance portfolios with allocation functionalities. Indeed, Scientific Portfolio likes to promote portfolio analysis as a means to the concrete goal of building portfolios that are both more efficient and better aligned with their investment objectives.
- Providing investors with an integrated framework where financial and extra-financial (ESG) considerations are jointly captured in analysis and portfolio construction. The ability to incorporate ESG-related insights in the portfolio allocation process is now a common requirement among many investors.
- Giving investors access to a Knowledge Centre catering to all types of learners and providing guidance through the portfolio analysis and construction process. This aligns with Scientific Portfolio's commitment to remaining connected with its academic roots and bridging the gap between investors and academia.

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